

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Financial Statements
December 31, 2011

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Independent Auditor's Report

Webster Parish Tax Assessor
Minden, Louisiana

I have audited the accompanying financial statements of the governmental activities and the major fund information of the Webster Parish Tax Assessor as of and for the year ended December 31, 2011, which collectively comprise the Assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Webster Parish Tax Assessor's management. My responsibility is to express opinions on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and the major fund information of the Webster Parish Tax Assessor as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2011, on my consideration of the Webster Parish Tax Assessor's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 4-7, budgetary comparison information page 25 and schedule of funding progress for retiree health plan page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Deborah D. Dees, CPA

Mansfield, Louisiana
June 28, 2012

REQUIRED SUPPLEMENTARY INFORMATION
(PART I)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Management's Discussion and Analysis For Year Ending December 31, 2011

This section of the Webster Parish Tax Assessor's (the Assessor or Office) annual financial report presents our discussion and analysis of the Assessor's financial performance during the fiscal year that ended on December 31, 2011. Please read it in conjunction with the Assessor's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Webster Parish Tax Assessor's net assets increased by \$244,294 or 8% in December 31, 2011 compared to an increase of \$284,595 or 11% in 2010.

Property taxes increased \$49,722 (2.84%) to \$1,803,101 during the year ended December 31, 2011 compared to \$1,753,379 during 2010.

The Webster Parish Tax Assessor's total general and program revenues were \$1,999,867 compared to \$1,954,669 in 2010.

During the year ended December 31, 2011, the Assessor had total expenses (excluding depreciation of \$74,053) of \$1,681,520 compared to \$1,579,022 in 2010.

In 2009, Webster Parish Tax Assessor implemented Governmental Accounting Standards Board Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45). The major change under GASB 45 is to attribute the cost of postretirement benefits (medical, dental, and life insurance) to the time which the employee is working for the employer. This standard does not require the funding of these benefits, but it does require recognizing the liability and expense in the financial statements. The Assessor recognizes a noncurrent liability of \$857,617 for 2011 in the Statement of Net Assets. A \$341,413 expense is included in personal services and related benefits expense in the Statement of Activities for 2011. See a full explanation in Note 7. Other Post-Employment Benefits (OPEB).

OVERVIEW OF FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the basic financial statements which include government-wide financial statements and fund financial statements. These two types of financial statements present the Assessor's Office's financial position and results of operations from differing perspectives, which are described as follows:

Government-Wide Financial Statement

The government-wide financial statements report information about the Assessor's Office as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Office's assets and all of its liabilities. All of the Office's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes and related revenue sharing.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Office's most significant activities and are not intended to provide information for the Office as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Office's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Office's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules for the General Fund. Annual budgets are prepared on the cash basis. There is also a schedule of funding progress for the retiree health plan.

FINANCIAL ANALYSIS OF THE ASSESSOR'S OFFICE AS A WHOLE

Net assets may serve over time as a useful indicator of the Webster Parish Tax Assessor's financial position. The total net assets changed from a year ago, increasing from \$2,953,705 to \$3,197,999.

Tax receivable decreased \$269,965 over last year, partly from a decrease in deferred property taxes from the prior year.

Current year net assets reflect capital assets with a historical cost of \$1,029,941 and accumulated depreciation of \$536,276.

A portion of the Assessor's net assets, \$493,665 (15.44%) reflects its investment in capital assets such as land, buildings, equipment, and software, less any related debt used to acquire those assets that are still outstanding compared to \$536,175 (18.17%) as of December 31, 2010. The Assessor uses these capital assets to provide services to the citizens of the parish; consequently, these assets are not available for future spending.

The largest portion of the Assessor's net assets of \$2,704,334 (85%) as of December 31, 2011, and \$2,417,530 (81.9%) as of December 31, 2010, is unrestricted and may be used to meet the ongoing obligations to the citizens of Webster Parish.

	12/31/2011	12/31/2010
Assets		
Cash	\$ 2,225,734	\$ 1,340,550
Tax Receivables	1,371,831	1,641,796
Prepaid Insurance	12,749	9,679
Capital Assets, Net of Depreciation	493,665	536,175
Total Assets	<u>4,103,979</u>	<u>3,528,200</u>
Liabilities		
Current:		
Accounts Payable	15,685	25,881
Salaries and Benefits Payable	5,713	5,446
Deferred Revenues	26,964	26,964
Noncurrent Liabilities		
Other Postemployment Benefit Obligation	857,617	516,204
Total Liabilities	<u>905,979</u>	<u>574,495</u>
Net Assets		
Unrestricted	2,704,334	2,417,530
Invested in Capital Assets, Net of Related Debt	493,665	536,175
Total Net Assets	<u>\$ 3,197,999</u>	<u>\$ 2,953,705</u>

An analysis of the government-wide Statement of Activities is presented as follows:

Revenues	12/31/2011	12/31/2010
Program Revenue		
Charges for Services	\$ 15,602	\$ 31,439
General Revenue		
Property taxes	1,803,101	1,753,379
State Revenue Sharing	163,285	164,869
Miscellaneous income	13,800	-
Investment Earnings	4,079	4,982
Total Revenue	<u>1,999,867</u>	<u>1,954,669</u>
Program Expenses		
General Government	<u>1,755,573</u>	<u>1,670,074</u>
Change in Net Assets	244,294	284,595
Net Assets Beginning	2,953,705	2,669,110
Net Assets Ending	<u>\$ 3,197,999</u>	<u>\$ 2,953,705</u>

As the above presentation demonstrates, the Assessor's Office has increased its reserves by \$244,294 or 12%.

The Webster Parish Tax Assessor received \$1,803,101 (90.2%) and \$1,753,379 (89.7%) of its total revenues through property taxes during 2011 and 2010, respectively.

Approximately 0.8% (\$15,602) of the Fund's total revenues were derived through charges for services compared to 1.6% (\$31,438) in 2010. The use of the copier by and sale of tax rolls to oil & gas leasing entities has decreased by half for 2011.

The Assessor's general government program expenses increased \$85,499 or 5.% over 2010.

The Office continues to have a sizeable amount of net assets. This financial trend is expected to continue in the near future.

FINANCIAL ANALYSIS OF THE ASSESSOR'S FUND

For the year ended December 31, 2011, differences between the government-wide presentation and the fund financial statements were due to acquisition of capital outlays, depreciation charges associated with capital assets and differences in deferred property tax revenue, other postretirement benefit obligations, and notes payable.

GENERAL BUDGET BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Assessor complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The Assessor's budget was not amended during 2011. The actual revenues were \$34,072 above the budgeted amounts. The actual expenditures were \$260,280 (17%) less than the budgeted amounts,

CAPITAL ASSET ADMINISTRATION

For the year, ended December 31, 2011, there was one addition of a new server and no deletions from capital assets.

DEBT ADMINISTRATION

At December 31, 2011, the Assessor had no debt on capital assets.

ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations. The 2012 budget was prepared based on 2011 results with adjustment for expected increases or decreases in revenue and expenditures.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the Webster Parish Tax Assessor's finances and seeks to demonstrate the Assessor's accountability for the money he receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Doris B. Cheatham, Assessor, P. O. Box 734, Minden, Louisiana, 71058.

BASIC FINANCIAL STATEMENTS

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET ASSETS

December 31, 2011

	Governmental Funds Financial Statements		Government-wide Statements
	Balance Sheet		Statement of
	<u>General Fund</u>	<u>Adjustments</u>	Net Assets
ASSETS			
Cash and cash equivalents	\$ 2,225,734	\$ -	\$ 2,225,734
Ad valorem tax receivables	1,370,419	-	1,370,419
Other receivables	1,412	-	1,412
Prepaid expenses	-	12,749	12,749
Capital assets net of accumulated depreciation	-	493,665	493,665
TOTAL ASSETS	<u>\$ 3,597,565</u>	<u>506,414</u>	<u>4,103,979</u>
LIABILITIES			
Accounts payable	\$ 15,685	-	15,685
Salaries and benefits payable	5,713	-	5,713
Deferred ad valorem revenue	81,666	(54,702)	26,964
Other postemployment benefit obligations	-	857,617	857,617
TOTAL LIABILITIES	<u>103,065</u>	<u>802,915</u>	<u>905,979</u>
FUND BALANCE/NET ASSETS			
Fund Balances:			
Unassigned	<u>3,494,500</u>	<u>(3,494,500)</u>	-
TOTAL FUND BALANCES	<u>3,494,500</u>	<u>(3,494,500)</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,597,565</u>	<u>(2,691,585)</u>	
Net Assets:			
Invested in capital assets, net of related debt		493,665	493,665
Unrestricted		2,704,334	2,704,334
TOTAL NET ASSETS		<u>\$ 3,197,999</u>	<u>\$ 3,197,999</u>

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets

Total Fund Balance	\$ 3,494,500
Prepaid expenses involve payment with current financial resources that are attributable to fiscal periods beyond the end of the current fiscal year	12,749
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	493,665
Deferred revenues are reported as liabilities in the Governmental Funds, but are reflected as income in the Government-Wide Financial Statements	54,702
OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(857,617)
Total Net Assets	<u>\$ 3,197,999</u>

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES

For the year ended December 31, 2011

	Governmental Fund Financial Statements		Government-wide Statements
	Statement of Revenues, Expenditures, and Changes in Fund Balances		Statement of Activities
	General Fund	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES			
General Government-Taxation:			
Personal services & related benefits	\$ 1,117,775	\$ 341,413	\$ 1,459,188
Operating expenses	66,072	(3,070)	63,002
Material & supplies	103,735	-	103,735
Travel & other charges	55,595	-	55,595
Capital outlays	31,543	(31,543)	-
Depreciation	-	74,053	74,053
TOTAL EXPENDITURES/EXPENSES	1,374,720	380,853	1,755,573
PROGRAM REVENUES			
Charges for services	15,602	-	15,602
TOTAL PROGRAM REVENUES	15,602	-	15,602
NET PROGRAM EXPENSE	1,359,118	380,853	1,739,971
GENERAL REVENUES			
Property taxes	1,788,306	14,795	1,803,101
State revenue sharing	163,285	-	163,285
Miscellaneous income	13,800	-	13,800
Investment earnings	4,079	-	4,079
TOTAL GENERAL REVENUES	1,969,470	14,795	1,984,265
NET CHANGE IN FUND BALANCE/ CHANGE IN NET ASSETS	610,352	(366,058)	244,294
FUND BALANCE / NET ASSETS			
Beginning of the year	2,884,148		2,953,705
End of the year	\$ 3,494,500		\$ 3,197,999

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement
of Activities

Net Change in Fund Balance	\$ 610,352
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Governmental funds report expenses that involve payments with current financial resources, such as insurance, in the year in which it is paid. In the Statement of Activities, payments that are attributable to current periods are

Increase in prepaid insurance	3,070
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in fund financial statements, but are reported in the governmental activities of the Statement of Assets

Capital outlays	31,543
Depreciation	(74,053)

Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The change in deferred revenue is, therefore, not included.	14,795
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OPEB expenses reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(341,413)
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Change in Net Assets	\$ 244,294
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

INTRODUCTION

As provided by LSA-RS 47:1901, the Assessor is elected by the voters of the parish and serves a four-year term. The Assessor enumerates, lists, and assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniary responsible for the actions of the deputies.

The Assessor's office is located in Minden, Louisiana. The Assessor employs sixteen employees, including fourteen deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Webster Parish Tax Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Webster Parish Tax Assessor includes all funds that are within the oversight responsibility of the Assessor. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the Assessor is deemed to be a separate reporting entity.

For financial reporting purposes, the Assessor includes all funds and activities that are controlled by the Assessor as an independently elected official. The Assessor is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Webster Parish Police Jury maintains and operates the building which the Assessor's office is located.

B. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis—Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS / BASIS OF ACCOUNTING (continued)

Modified Accrual Basis--Fund Financial Statements

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Assessor's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31, 2011. The taxes are normally collected in December of the current year and January and February of the ensuing year.

State revenue sharing is recorded in the year the Assessor is entitled to the funds. Fees for preparing tax rolls are recognized in the period in which they are paid. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the Assessor's account. Interest income on time deposits is accrued at year end.

Expenditures

Salaries and related benefits are recorded when employee services are provided. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related fund liability is incurred.

Deferred Revenues

Deferred Revenues arise when resources are received by the assessor before it has a legal claim to them, as when ad valorem taxes are paid under protest to the tax collector. In subsequent periods, when the assessor has a legal claim to the resource and the revenue becomes available, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BUDGETS

The Assessor uses the following budget practices:

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the Assessor and amended during the year, as necessary. The budget is established and controlled by the Assessor at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes or amendments to the budget must be approved by the Assessor.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. The budget was not amended during the year.

D. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts or nonnegotiable certificates of deposit. Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

E. PREPAID EXPENSES

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid expenses.

F. ACCOUNTS RECEIVABLE

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectible is used.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost for items known and estimated cost is used if historical cost is not available. Approximately 90% of fixed assets are valued at actual historical costs, while the remaining 10% are based on estimated historical costs. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. CAPITAL ASSETS (continued)

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Building & Improvements	40 years
Computers and Peripherals	5 years
Furniture, fixtures, equipment	5-10 years
Website and parcel conversion	10 years

Depreciation of all exhaustible capital assets is reported as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets.

H. DEFERRED REVENUES

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the Assessor receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria have been met or the Assessor has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

I. COMPENSATED ABSENCES

The Assessor has the following policy relating to vacation and authorized time off:

Employees of the Assessor's office receive 10 to 20 days of noncumulative vacation leave each year depending on length of service. Vacation leave must be taken in the year earned. Each employee is also entitled to 15 authorized time off (ATO) days per year. ATO leave does not accumulate.

The costs of these leave privileges, computed in accordance with GASB Codification Section C60, are recognized as current-year expenditures in the General Fund when leave is actually taken.

J. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and is displayed in three components:

Invested in Capital Assets, net of related debt

This category consists of capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

This category consists of net assets with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. EQUITY CLASSIFICATIONS (continued)

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

Beginning with fiscal year ending December 31, 2011, the Assessor implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable--Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.

Restricted--Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).

Committed--Amounts constrained by the Assessor herself. To be reported as committed, amounts cannot be used for any other purpose unless the Assessor takes the action to remove or change the constraint.

Assigned--Amounts the Assessor intends to use for a specific purpose.

Unassigned--All amounts not included in other spendable.

Beginning fund balances for the Assessor's governmental funds have been restated to reflect the above classifications.

The Assessor would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

2. AD VALOREM TAXES

The Assessor levies taxes on real and business personal property located within the boundaries of Webster Parish. Property taxes are levied by the Assessor on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Webster Parish Sheriff's office bills and collects property taxes for the Assessor. Collections are remitted to the Assessor monthly. The Assessor recognizes property tax revenues when levied.

The property tax calendar:

Assessment date	January 1, 2011
Levy date	June 30, 2011
Tax bills mailed	October 15, 2011
Total taxes are due	December 31, 2011
Penalties & interest added	January 31, 2012
Tax sale	May 14, 2012

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2011. Total assessed value was \$234,473,401 in 2011. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$52,467,769 of the assessed value in 2011. For the year ended December 31, 2011, the Assessor authorized an ad valorem tax millage of 7.69 mills and levied taxes of 7.69 mills for 2011.

The following are the principal taxpayers for the Assessor (2011 amounts):

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	Ad Valorem Tax Revenue for Assessor
Gulf Crossing Pipeline Co	Oil & Gas	\$ 8,242,460	3.52%	\$ 63,385
Midcontinent Express Pipeline	Oil & Gas	8,261,020	3.52%	63,527
DCP Midstream	Oil & Gas	8,824,540	3.76%	67,861
Entergy Louisiana LLC	Utility	7,122,480	3.04%	54,772
Summit Oilfield Services	Oil & Gas	5,089,750	2.17%	39,140
Centerpoint Energy Gas	Utility	4,280,750	1.83%	32,919
Calument Lubricants	Manufacturing	4,356,300	1.86%	33,500
ConocoPhillips Co	Oil & Gas	3,497,690	1.49%	26,897
Regency Intrastate Gas	Oil & Gas	3,385,700	1.44%	26,036
Fibrebond Corp.	Manufacturing	3,381,200	1.44%	26,001
Total		\$ 48,199,430	20.56%	\$ 370,654

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

3. CASH

The Webster Parish Tax Assessor has cash and cash equivalents (book balances) in interest-bearing demand and time deposits of \$277,787, LAMP deposits of \$1,947,887 and \$60 in cash for a total of \$2,225,734 at December 31, 2011.

The LAMP deposits are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

The cash of the Webster Parish Tax Assessor is subject to the following risks:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Assessor's name.

Cash held at December 31, 2011, include \$1,947,887 invested with the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an interest in the pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Lamp, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The Assessor's deposits are secured from custodial credit risk as follows:

At December 31, 2011, the Assessor had \$288,768 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$121,354 in pledged securities. The funds deposited with LAMP do not require security deposits as they are invested in obligations of the United States Government or other investments allowed by Louisiana Law.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011 is as follows:

<u>Governmental Activities</u>	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Vehicles	\$ 20,007	\$ -	\$ -	\$ 20,007
Building & Improvements	120,330			120,330
Computers and Peripherals	215,467	31,543		247,010
Furniture, fixtures, equipment	127,119	-	-	127,119
Website and parcel conversion	515,475	-		515,475
Total	<u>998,398</u>	<u>31,543</u>	<u>-</u>	<u>1,029,941</u>
<u>Less Accumulated Depreciation:</u>				
Vehicles	7,000	4,001	-	11,001
Building & Improvements	32,231	3,008		35,239
Computers and Peripherals	206,097	8,647		214,744
Furniture, fixtures, equipment	100,912	6,849	-	107,761
Website and parcel conversion	115,983	51,548		167,531
Total	<u>462,223</u>	<u>74,053</u>	<u>-</u>	<u>536,276</u>
Capital Assets, Net	<u>\$ 536,175</u>	<u>\$ (42,510)</u>	<u>\$ -</u>	<u>\$ 493,665</u>

Depreciation expense of \$74,053 was charged to the general government taxation function.

5. ACCOUNTS RECEIVABLE

As of December 31, 2011, receivables consist of the following:

Ad valorem taxes	\$ 1,370,419
Fees for preparing tax rolls	1,412
	<u>\$ 1,371,831</u>

6. PENSION PLAN

Plan Description - substantially all employees of the Webster Parish Tax Assessor's office are members of the Louisiana Assessors Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/2 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate within at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

6. PENSION PLAN (continued)

Funding Policy - Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Webster Parish Tax Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Webster Parish Tax Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Webster Parish Tax Assessor's contributions to the System for the years ending December 31, 2011, 2010, and 2009, were \$147,231, \$152,540, and \$155,029, respectively, equal to the required contributions for each year.

Per R.S. 11:1481 2(a), each assessor in the state of Louisiana shall deduct eight percent from the salaries of the assessor and the assessor's employees who are eligible for membership in the Louisiana Assessors Retirement System. Per R. S. 11:1472 2(b), the assessor may elect to pay all or a portion of the contributions per R.S. 11:1481 2(a). The Webster Parish Tax Assessor has elected to pay all contributions required for the assessor and the assessor's employees. The total paid for the years ended December 31, 2011, 2010, and 2009 (included in the contributions reported above) were \$55,098, \$57,176, and \$43,191.

7. OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The Webster Parish Tax Assessor provides certain continuing medical and dental care and life insurance benefits for its retired employees. Eligibility for medical coverage is based on the following:

- 55 years old and 12 years of service, or
- 30 years of service at any age

Spouses' coverage is also provided to those who are currently receiving benefits. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

Funding Policy. These benefits for the retirees are provided through an insurance company on a pay-as-you-go basis. The Assessor pays 100% of the cost of current-year premiums for the four retirees, one spouse and one surviving spouse. The Assessor recognizes the cost of providing these benefits (Assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the year ended December 31, 2011, the total amount of premiums paid for retirees totaled \$45,422.

Annual OPEB Cost and Net OPEB Obligation. The Assessors annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Assessor has elected to calculate the ARC and related information using the Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The Assessor's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation for year ended 2011 and the two preceding fiscal years assuming the plan is not prefunded (4% discount rate):

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2009	4.00%	\$ 323,714	10.19%	290,739
12/31/2010	4.00%	335,344	10.48%	579,325
12/31/2011	4.00%	347,352	13.08%	857,617

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

7. OTHER POST-EMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress. The Assessor's actuarial accrued liability for benefits was \$2,455,627 all of which was unfunded for the ended 2011. The covered payroll (annual payroll of active employees covered by the plan) was \$542,729 and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 398%.

The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation to the Retiree Health Plan for year ended December 31, 2011:

Discount rate	4.00%
Determination of Annual Required Contribution	
Normal Cost at fiscal year end	\$ 181,705
Amortization of UAAL	142,009
Annual Required Contribution (ARC)	323,714
Determination of Net OPEB Obligation	
Annual Required Contribution	323,714
Interest on prior year Net OPEB Obligation	23,623
Adjustment to ARC	39,498
Annual OPEB Cost	386,835
Contributions made	(45,422)
Estimated increase in Net OPEB Obligation	341,413
Net OPEB Obligation -beginning of year	516,204
Estimated Net OPEB Obligation -end of year	\$ 857,617

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of interest, future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

7. OTHER POST-EMPLOYMENT BENEFITS (continued)

The unit credit actuarial cost method was used with the estimates based to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are:

- Measurement date:
 - Benefit liabilities are valued as of January 1, 2010.
- Discount rate for valuing liabilities.
 - Without prefunding: 4.0% per annum, compounded annually.
- Mortality rates:
 - Male, RP 2000 system table with floating Scale AA projections for Males
 - Female, RP 2000 system table with floating Scale AA projections for Females

8. LEASES

The Assessor has operating leases of the following nature:

A digital postage meter system for a 36-month term, with monthly payments of \$ \$128 dated July 1, 2010. Total rent during 2011 was \$2,117.

A copier lease for 48-month term, with monthly payments of \$423 dated June, 2010. The purchase option at the end of the lease is fair market value. Total rent during 2011 was \$5,443.

An auto lease for 45-month term, with monthly payments of \$1,093.70 which includes interest at 5%. Total lease payments for 2011 was \$13,124.

The minimum annual commitments under noncancelable operating leases are:

Year	Payments
2012	17,080
2013	7,177
2014	3,936
2015	1,640
Totals	<u>24,257</u>

9. RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle some risk of loss, the Assessor has workers' compensation insurance for any employee injured on the job and surety bond coverage. No settled claims from these risks have exceeded insurance coverage for the past three years. There are no significant reductions in insurance coverage from the prior year.

10. COOPERATIVE ENDEAVOR

Effective November 7, 2000, the Webster Parish Tax Assessor entered into a cooperative endeavor agreement with the Webster Parish Police Jury. In exchange for the use of property owned by the Webster Parish Police Jury for the site of the Webster Parish Tax Assessor's office, the Assessor paid \$40,000 to the Police Jury and agreed to be responsible for all renovations, property and building improvements. In return, the Police Jury is to be responsible for future ordinary maintenance, property insurance and building utilities.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

11. DEFERRED COMPENSATION PLAN

Certain employees of the Webster Parish Tax Assessor participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

12. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any related party transactions for the year ended December 31, 2011.

13. COMMITMENTS AND CONTINGENCIES

During 2011 the Webster Parish Tax Assessor was not involved in any litigation nor is she aware of any unasserted claims.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2012, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
(PART II)

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive(Negative)
REVENUES				
Property taxes	\$ 1,750,000	\$ 1,750,000	\$ 1,788,306	\$ 38,306
State revenue sharing	168,000	168,000	163,285	(4,715)
Charges for services	28,000	28,000	15,602	(12,398)
Miscellaneous income	-	-	13,800	13,800
Investment earnings	5,000	5,000	4,079	(921)
TOTAL REVENUES	<u>1,951,000</u>	<u>1,951,000</u>	<u>1,985,072</u>	<u>34,072</u>
EXPENDITURES				
Personal services & related benefits	\$ 1,400,000	\$ 1,400,000	\$ 1,117,775	\$ 282,225
Operating expenses	170,000	170,000	66,072	103,928
Material & supplies	-	-	103,735	(103,735)
Debt service	30,000	30,000		
Travel & other charges	40,000	40,000	55,595	(15,595)
Capital outlays	25,000	25,000	31,543	(6,543)
TOTAL EXPENDITURES	<u>1,665,000</u>	<u>1,665,000</u>	<u>1,374,720</u>	<u>260,280</u>
NET CHANGE IN FUND BALANCE	286,000	286,000	610,352	294,352
FUND BALANCE / NET ASSETS				
Beginning of the year	2,884,148	2,884,148	2,884,148	
End of the year	<u>\$ 3,170,148</u>	<u>\$ 3,170,148</u>	<u>\$ 3,494,500</u>	

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Schedule of Funding Progress for Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio
January 1, 2009	0	4.00%	\$ 2,455,627	\$ 2,455,627	0.0%
January 1, 2010	0	4.00%	\$ 2,455,627	\$ 2,455,627	0.0%
January 1, 2011	0	4.00%	\$ 2,455,627	\$ 2,455,627	0.0%

The accompanying notes are an integral part of the financial statements.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to Required Supplementary Information
As of and for the Year ended December 31, 2011

Budgetary Information

The Webster Parish Tax Assessor's budget is prepared in accordance with accounting principles accepted in the United States of America. The Webster Parish Tax Assessor's budget is adopted annually on the modified accrual basis of accounting.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Schedule of Funding Progress for Retiree Health Plan

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The following pages contain a report on internal control and on compliance with laws regulations, and other matters in accordance with *Government Auditing Standards* as required by *Government Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. The report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Webster Parish Tax Assessor
Minden, Louisiana

I have audited the financial statements of the governmental activities and major fund of the Webster Parish Tax Assessor as of and for the year ended December 31, 2011, and have issued my report thereon dated June 28, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Webster Parish Tax Assessor's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Webster Parish Assessor's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Webster Parish Tax Assessor's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Webster Parish Tax Assessor's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Webster Parish Tax Assessor, and the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is a public document and its distribution is not limited.

Deborah D. Dees, CPA

Mansfield, Louisiana
June 28, 2012

AUDIT FINDINGS

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Schedule of Findings and Responses
For the Year ended December 31, 2011

Part I. Summary of Auditor's Results

INDEPENDENT AUDITOR'S REPORT:

I have audited the basic financial statements of the Webster Parish Tax Assessor as of and for the year ended December 31, 2011, and have issued my report thereon dated June 28, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2011, resulted in an unqualified opinion.

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER THE FINANCIAL REPORTING:

Internal Control

Material Weaknesses

☐ Yes

☒ No

Other Conditions

☐ Yes

☒ No

Compliance

Compliance Material to Financial Statements

☐ Yes

☒ No

A management letter was not issued.

FEDERAL AWARDS

Not applicable

Part II. Findings relating to the Financial Statements which are required to be Reported under *Government Auditing Standards*.

None

**WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana**

Schedule of Prior Year Findings
For the Year ended December 31, 2010

None

June 28, 2012

To: Doris Cheatham, Webster Parish Assessor

I have audited the financial statements of the governmental activities and each major fund of Webster Parish Assessor for the year ended December 31, 2011. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated June 28, 2012. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Webster Parish Assessor are described in Note 1 to the financial statements. As described in Note 7 to the financial statements, the Webster Assessor changed accounting policies related to other postretirement benefit obligations (OPEB) by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, in 2009. Accordingly, the accounting change does not require the Assessor to record a cumulative effect from prior years. I noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the General Fund's financial statements was:

Management's estimate of the net postemployment benefit obligation is based on an actuarial valuation conducted by Millman. I evaluated the key factors and assumptions used to develop the net postemployment benefit liability and expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

The disclosure of the Other Postretirement Employee Benefits in Note 7 to the financial statements summarizes the actuary's conclusions but may differ significantly from future measurements due to changes in assumptions, additional costs or contribution requirements, or changes in plan provisions or applicable law.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has agreed to correct all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated June 28, 2012.

Other Audit Findings or Issues

Taxable life insurance. While reviewing payroll compliance, it was discovered that the value of employer provided life insurance in excess of \$50,000 was not included in the employees' W-2s.

Recommendation: This oversight should be discussed with the accounting firm in charge of payroll compliance and corrected for prior and present years.

Paid time off policies. While testing payroll and comparing time sheets for compliance with the vacation and authorized time off (ATO) leave policies, it was noted that all time sheet approvals in January and February were signed by a supervisor that was on "medical leave" during the period.

Further analysis of the ATO policy reveals that the Assessor can grant discretionary "medical leave" to employees during the year without the employee first exhausting vacation or their fifteen days of ATO. This allowed one employee to be granted 54 days of "medical leave" during the year and still receive 15 days of paid ATO and 14.5 days of vacation pay. Another employee was granted 40 days of "medical leave" and 18 days of ATO.

Although the policy states "After all ATO days have been exhausted, vacation days must be used in their place" and "After all ATO and vacation days have been exhausted, any time missed will be without pay"; these stipulations do not appear to be tied to the discretionary "medical leave."

Recommendation: To avoid possible abuse, the ATO policy should be clarified in regards to discretionary "medical leave."

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

This information is intended solely for the use of Doris Cheatham, Webster Parish Assessor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours



Deborah D. Dees, CPA

DORIS B. CHEATHAM, CLA
WEBSTER PARISH ASSESSOR

REAL ESTATE
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July 6, 2012

Deborah D. Dees, MBA, CPA
122 Jefferson Street
Mansfield, LA 71052

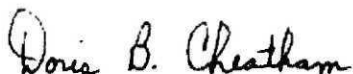
Dear Mrs. Dees,

The following are the responses to the findings/issues included in the Management Letter of June 28, 2012:

1. Taxable life Insurance. In the future, life insurance in excess of \$50,000 provided to employees will be included in the employees' W-2s.
2. Paid time off policies. Our policy will be clarified to avoid possible abuse in regards to discretionary medical leave.

Thank you for the manner and professionalism shown by you and your staff during our recent audit. If anything further is needed, please feel free to contact me.

Sincerely,



Doris B. Cheatham, CLA
Webster Parish Assessor